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**Cleaning Up Pollution Caused by Freight Transport Costs Pennies,
Saves Billions, Says New Report**

Californians Left Choking on
Costly Cloud of Smog and Soot

FRESNO/LOS ANGELES/OAKLAND -- A new report shows that cleaning up California's seaports, airports, truck routes, railways, and distribution centers would cost polluting companies pennies, save California billions, and have a major impact on the health of millions of affected residents. Released today, "[**Paying With Our Health: The Real Cost of Freight Transport in California**](#)" concludes that implementing state-recommended pollution controls would cost freight importers, exporters, and transporters less than a penny per dollar of their California-dependent revenue. For each dollar spent on pollution controls, the State would save \$3 to \$8 on public health costs in the next 15 years. The report is being issued by the Ditching Dirty Diesel Collaborative and was authored by the Pacific Institute.

National companies depend on California's ports for importing inexpensive foreign goods, much of which continues on to other states. More than 40% of all U.S. containerized imports – valued at approximately \$300 billion – come through California ports. Air freight companies move another \$129 billion worth of goods through the state. Combined, the top United States importers, exporters, and transporters earned \$1.2 trillion in revenue in 2005, approximately \$231 billion of which depends on California's highways, rail, and port infrastructure. Implementing California Air Resources Board (CARB) recommendations for cleaning up the industries would cost \$667 million per year, or less than 0.29¢ of every dollar of California-dependent freight transport revenue. These recommendations would cut statewide emissions of highly polluting nitrogen oxides and diesel particulate matter by 64% and 77%, respectively, by 2020.

"The largest companies in the world enjoy the benefits of having cheap access to California's ports, highways, and railways in order to ship their merchandise. Meanwhile they leave a toxic cloud of smog and soot in low-income communities of color and don't pay a penny to clean that up," said **Swati Prakash, a program director at the Pacific Institute and co-author of the report**. "Our analysis shows that the cost of cleaning up the industry is less than a third of penny per dollar these companies make while using California's infrastructure. In fact, clean-up costs less than a penny per dollar of Wal-Mart's California-dependent revenue."

Diesel pollution is the worst toxic air contaminant in California, responsible for 70% of the state's air pollution-related cancer risk. The ships, machinery, trucks, trains, and airplanes that move cargo through the state contribute 30% and 75% of the total statewide emissions of smog forming nitrogen oxides and diesel particulate matter pollution, respectively. CARB's estimates that freight transport-related health impacts such as premature deaths, hospitalizations, and sickness will total \$200 billion over the next 15 years and cut short the lives of 2,400 Californians each year.

"Diesel exhaust is one of the most widespread and hazardous mixes of air pollutants we know of," said **Dr. Eric Roberts, MD PhD, a pediatrician and researcher at the Public Health Institute in Oakland**. "Inhaling diesel pollution causes changes throughout the body and increases people's risk of cancer. We are now learning that it also contributes to asthma by inducing changes in the immune system."

Freight impact-related pollution has the greatest impact on people who live, work, or got to school near freight transport hubs. Looking at the fence-line communities profiled in the report, they had populations that were 78.9% of color and earned only 2/3 of the state median income. Given these factors, cleaning up freight transport is a matter of environmental justice to these Californians.

"I live in West Oakland, and we constantly have trucks traveling on our neighborhood streets to the Port of Oakland," said **Margaret Gordon, co-director of the West Oakland Environmental Indicators Project**. "I don't want my grandchildren choking on these diesel fumes anymore. We either need these businesses to act like good neighbors and move truck services to the Port site, or we need local and state officials to make it happen."

Community residents are not the only ones bearing the brunt of hazards from freight transport. Workers are at the front-lines of the pollution created by diesel-fueled vehicles.

"Having a longshore job is one of the best blue collar jobs in the country. However, the price of having that job

should not be getting sick from diesel fuel emissions," said **Clarence Thomas, a longshoreman and representative of the International Longshore & Warehouse Workers Union Local 10**. "We all know there is far too much pollution in shipping and all freight movement industries. It's time for the polluters to pay to clean that up, not us as the community and workers that face this pollution every day."

CARB-recommended clean-up projects include using existing technologies and proven techniques such as getting cleaner trucks on the road, using cleaner fuel on ships, and replacing diesel-fueled equipment with electric or natural gas equipment. Unfortunately, all of these proposals lack funding.

One funding solution that has been proposed is assessing a fee on containerized cargo when it arrives in port. In August, the California Legislature passed SB 927 (Lowenthal, D-Long Beach), that would have levied a \$30 fee per twenty-foot equivalent unit (TEU) on cargo containers at the Ports of Los Angeles and Long Beach to pay for environmental, infrastructure, and security improvements. The bill would have covered most of the annual cost of the CARB recommendations, while only adding approximately 4¢ to the cost of shipping a DVD player and less than a penny per pair of sneakers. The bill was vigorously opposed by the National Retailers Association and industry groups such as the Pacific Maritime Shipping Association, and was ultimately vetoed by Governor Arnold Schwarzenegger. The recently passed Proposition 1B designates \$1 billion to freight transport clean-up.

"The State's taxpayers have chosen to put up \$1 billion of the costs of reducing port pollution by passing Proposition 1B, now the business community, which benefits from using the ports, needs to pay their fair share of costs for reducing port pollution" said **Senator Alan Lowenthal**.

"Paying With Our Health: The Real Cost of Freight Transport in California" is available for free on-line at www.pacinst.org/reports/freight_transport. Related graphics at www.pacinst.org/reports/freight_transport/media.

The Ditching Dirty Diesel Collaborative is a Bay Area collaborative of over a dozen environmental justice and health organizations who have been working together since October 2004 to reduce diesel pollution and improve health in environmental justice communities throughout the Bay Area. The Collaborative has three active areas of work: diesel idling, freight transport, and capacity building. In preparing this analysis of freight transport, the Collaborative reached out to community organizations, environmental groups, and public health activists from across the state who are working on similar problems.

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